

Chapter-6

CONCLUSION

There have been a number of studies which have established a link between financial development and economic development. In a democratic country like India, where people are free to choose their occupations or means of earning, their livelihood, it is necessary that the fruits of financial development reach to the vast majority of our population, so that they can bring efficiency in their occupation. Therefore, this calls for an assessment about the extent of financial inclusion in Haryana. For this purpose the financial inclusion has been defined in terms of availability, penetration and usage of financial facilities. To have a comprehensive view of the extent of financial inclusion these three types of indicators have been aggregated into a composite measure, namely, index of financial inclusion (IFI). The study reveals that Gurgaon, Panchkula, Ambala, Faridabad, Karnal, Panipat, Rewari, Rohtak and Yamuna Nagar fall in the category of high financial inclusion while Bhiwani, Fatehabad, Hissar, Jhajjar, Jind, Kathal, Kurukshetra, Mahendergarh, Palwal, Sirsa and Sonapat fall in medium category. However, Mewat is the only district with low financial inclusion. The study also reveals that there are vast inter-district disparities as far as financial inclusion is concerned. It is also brought out that these disparities are caused by most developed districts of Gurgaon, Panchkula and Faridabad and the least developed district, Mewat. If these districts are kept aside, the magnitude of disparities in financial inclusion among the remaining seventeen districts is almost halved.

The study also analyses the relationship between different socioeconomic factors and different facets of financial inclusion at the village level taking household as the unit of observation. The study brings out the fact that socioeconomic factors influence the financial inclusion in a variety of ways. The study finds that there seems to be a positive relationship between levels of qualification and holding of account by the households. Similarly there appears to be a positive relationship between income level and holding of account by the households. These two propositions could not be tested by applying a χ^2 -test due to cell frequencies smaller than 5. However, the hypothesis of no relationship between ownership of land and holding of account could not be rejected on the basis of χ^2 -test. Similarly, the hypothesis of no relationship between holding of account and age of the head of the household could not be rejected. These conclusions

were confirmed on the basis of regression analysis according to which the estimates of a binary logistic function where a significant relationship of income and qualification of households with odds ratio favouring the opening of an account was found. The study also concludes on the basis of χ^2 –test that there are positive relationship between income and fixed deposit; income and purchase of insurance policy; and qualification and holding of ATM cards. The study also shows that the rise of household’s income leads to increase in the frequency of using ATM cards and that of accounts. In sum, it can be concluded that inclusive economic growth and inclusive education system, should lead to higher financial inclusion. This suggests that policies should be aimed at inclusive economic growth and ensuring inclusive education.

Appendix: A-3.1

Population Group Wise Number of Bank Branches in India 1981-2009

Branches in Number

Year	Rural	Semi-urban	Urban	Metropolitan	Total
1981	17656	8471	5454	4126	35707
	(49)	(24)	(15)	(12)	(100)
1982	20401	8809	5693	4274	39177
	(52)	(22)	(15)	(11)	(100)
1983	22686	9081	5917	4395	42079
	(54)	(22)	(14)	(10)	(100)
1984	25380	9326	6116	4510	45332
	(56)	(21)	(13)	(10)	(100)
1985	30185	9816	6578	4806	51385
	(59)	(19)	(13)	(9)	(100)
1986	29703	10585	7209	5790	53287
	(56)	(20)	(14)	(11)	(100)
1987	30209	10637	7218	5795	53859
	(56)	(20)	(13)	(11)	(100)
1988	31114	11132	7322	5842	55410
	(56)	(20)	(13)	(11)	(100)
1989	33014	11166	7524	5995	57699
	(57)	(19)	(13)	(10)	(100)
1990	34791	11324	8042	5595	59752
	(58)	(19)	(13)	(9)	(100)
1991	35206	11344	8046	5624	60220
	(58)	(19)	(13)	(9)	(100)
1992	35269	11356	8279	5666	60570
	(58)	(19)	(14)	(9)	(100)
1993	35389	11465	8562	5753	61169
	(58)	(19)	(14)	(9)	(100)
1994	35329	11890	8745	5839	61803
	(57)	(19)	(14)	(9)	(100)
1995	33004	13341	8868	7154	62367

	(53)	(21)	(14)	(11)	(100)
1996	32995	13561	9086	7384	63026
	(52)	(22)	(14)	(12)	(100)
1997	32915	13766	9340	7529	63550
	(52)	(22)	(15)	(12)	(100)
1998	32878	13980	9597	7763	64218
	(51)	(22)	(15)	(12)	(100)
1999	32857	14168	9898	8016	64939
	(51)	(22)	(15)	(12)	(100)
2000	32734	14407	10052	8219	65412
	(50)	(22)	(15)	(13)	(100)
2001	32562	14597	10293	8467	65919
	(49)	(22)	(16)	(13)	(100)
2002	32380	14747	10477	8586	66190
	(49)	(22)	(16)	(13)	(100)
2003	32303	14859	10693	8680	66535
	(49)	(22)	(16)	(13)	(100)
2004	32121	15091	11000	8976	67188
	(48)	(22)	(16)	(13)	(100)
2005	32082	15403	11500	9370	68355
	(47)	(23)	(17)	(14)	(100)
2006	30579	15556	12032	11304	69471
	(44)	(22)	(17)	(16)	(100)
2007	30551	16361	12970	11957	71839
	(43)	(23)	(18)	(17)	(100)
2008	31002	17724	14397	13019	76142
	(41)	(23)	(19)	(17)	(100)
2009	31646	18969	15439	13877	79931
	(38)	(24)	(20)	(18)	(100)
2010	32494	20494	16761	14855	84604
	(38)	(24)	(20)	(18)	(100)

Source: Hand Book of Statistics on Indian Economy, RBI.

Appendix: A-3.2

Population Group Wise Number of Bank Account from 1981-2009

Accounts in Thousand

Year	Rural	Semi-urban	Urban	Metropolitan	Total account
1981	9032 (44)	7362 (35)	2940 (14)	1412 (7)	20746 (100)
1982	11065 (47)	7865 (33)	3104 (13)	1482 (6)	23516 (100)
1983	12014 (47)	8231 (32)	3516 (14)	1803 (7)	25564 (100)
1984	14655 (50)	8933 (30)	4085 (14)	1865 (6)	29538 (100)
1985	16233 (48)	10705 (32)	4607 (14)	2066 (6)	33611 (100)
1986	19315 (50)	11964 (31)	5189 (13)	2321 (6)	38789 (100)
1987	21918 (50)	13146 (30)	5835 (13)	2537 (6)	43436 (100)
1988	24100 (50)	14778 (31)	6287 (13)	2815 (6)	47980 (100)
1989	26677 (51)	15505 (30)	6872 (13)	3059 (6)	52113 (100)
1990	28401 (53)	15459 (29)	6769 (13)	3221 (6)	53850 (100)
1991	32465 (52)	17420 (28)	8094 (13)	3967 (6)	61946 (100)
1992	34015	17132	9358	5355	65860

	(52)	(26)	(14)	(8)	(100)
1993	32881	16885	8009	4341	62116
	(53)	(27)	(13)	(7)	(100)
1994	32310	16114	7349	3878	59651
	(54)	(27)	(12)	(7)	(100)
1995	29407	16855	7534	4301	58097
	(51)	(29)	(13)	(7)	(100)
1996	28795	15907	7035	4936	56673
	(51)	(28)	(12)	(9)	(100)
1997	27280	15839	7454	5045	55618
	(49)	(28)	(13)	(9)	(100)
1998	26761	15083	6903	4838	53585
	(50)	(28)	(13)	(9)	(100)
1999	24473	14458	6992	6382	52305
	(47)	(28)	(13)	(12)	(100)
2000	25080	14865	7795	6631	54371
	(46)	(27)	(14)	(12)	(100)
2001	22511	14047	7934	7873	52365
	(43)	(27)	(15)	(15)	(100)
2002	25163	15037	7661	8528	56389
	(45)	(27)	(14)	(15)	(100)
2003	25637	15434	7972	10448	59491
	(43)	(26)	(13)	(18)	(100)
2004	25565	16108	8931	15786	66390
	(39)	(24)	(13)	(24)	(100)
2005	29357	18226	10177	19391	77151
	(38)	(24)	(13)	(25)	(100)
2006	29054	21475	12919	21988	85436
	(34)	(25)	(15)	(26)	(100)
2007	31029	22099	13254	28060	94442
	(33)	(23)	(14)	(30)	(100)

2008	33546	24021	14194	35230	106991
	(31)	(22)	(13)	(33)	(100)
2009	33823	24793	14750	36690	110056
	(31)	(23)	(13)	(33)	(100)

Source: Hand Book of Statistics on Indian Economy, RBI.

Appendix: A-3.3

Population Group Wise Number of Bank Deposit from 1981-2009

Amount in Thousand Crore

Year	Rural	Semi urban	Urban	metropolitan	Total Deposit amount
1981	5261.58	9368.59	9967.11	15815.48	40412.76
	(13)	(23)	(25)	(39)	(100)
1982	6313.43	10500.16	11466.55	17544.84	45824.98
	(14)	(23)	(25)	(38)	(100)
1983	7671.98	12813.96	13546.25	20415.31	54447.5
	(14)	(23)	(25)	(37)	(100)
1984	9243.16	13342.18	16692.85	25037.86	64316.05
	(14)	(21)	(26)	(39)	(100)
1985	10411.47	16758.3	20416.1	30181.61	77767.48
	(13)	(21)	(26)	(39)	(100)
1986	12808.81	19511.8	23693.31	36219.4	92233.32
	(14)	(21)	(26)	(39)	(100)

1987	15521.63	23031.88	28207.96	41582	108343.47
	(14)	(21)	(26)	(39)	(100)
1988	19215.26	27631.53	32683.76	48062.12	127592.67
	(15)	(22)	(26)	(37)	(100)
1989	22046.49	31430.68	36841.12	56712.99	147031.28
	(15)	(21)	(25)	(38)	(100)
1990	26233.64	36369.64	42416.11	66892	171911.39
	(15)	(21)	(25)	(39)	(100)
1991	31009.8	41439.17	49140.02	78979.37	200568.36
	(15)	(21)	(24)	(39)	(100)
1992	35749.7	46591.38	55289.4	99476.73	237107.21
	(15)	(20)	(23)	(42)	(100)
1993	41409.73	53584.61	63934.92	116921.21	275850.47
	(15)	(19)	(23)	(42)	(100)
1994	49331.14	63035.46	74248.54	137361.38	323976.52
	(15)	(19)	(23)	(42)	(100)
1995	51819.62	71464.36	84128.74	171761.42	379174.14
	(14)	(19)	(22)	(45)	(100)
1996	61313.17	83187.34	95565.57	186053.47	426119.55
	(14)	(19)	(22)	(44)	(100)

1997	73769.7	98045.13	112577.67	216163.87	500556.37
	(15)	(19)	(22)	(43)	(100)
1998	86706.41	115644.26	134897.34	259220.6	596468.61
	(14)	(19)	(23)	(43)	(100)
1999	102697.07	136052.49	160181.05	299238.47	698169.08
	(15)	(19)	(23)	(43)	(100)
2000	120539.19	161972.42	188963.44	349944.64	821419.69
	(15)	(20)	(23)	(42)	(100)
2001	139431.36	186188	217832.75	405981.19	949433.3
	(15)	(20)	(23)	(42)	(100)
2002	159423.46	214990.39	255478.1	493501.37	1123393.32
	(14)	(19)	(23)	(44)	(100)
2003	176502.39	241756.68	290503.36	567433.27	1276195.7
	(14)	(19)	(23)	(44)	(100)
2004	195081.71	268216.92	330295.74	717679.01	1511273.38
	(13)	(18)	(22)	(47)	(100)
2005	213104.11	295685.4	374891.03	863133.51	1746814.05
	(12)	(17)	(21)	(49)	(100)
2006	226061.18	302212.8	430813.23	1132087.02	2091174.23
	(11)	(14)	(21)	(54)	(100)

2007	253013.69	357395.14	532592.21	1454043.47	2597044.51
	(10)	(14)	(20)	(56)	(100)
2008	303423.04	430279.71	657699.02	1858544.4	3249946.17
	(9)	(13)	(20)	(57)	(100)
2009	363910.19	529758.39	822913.61	2205398.63	3921980.82
	(9)	(13)	(21)	(56)	(100)

Source: Hand Book of Statistics on Indian Economy, RBI.

Appendix: A-3.4

Population Group Wise Number of Bank Credit from 1981-2009

Amount in Thousand Crore

Year	Rural	Semi urban	Urban	metropolitan	Total amount
1981	2887.15	4347.46	5523.01	12117.14	24874.76
	(12)	(17)	(22)	(49)	(100)
1982	3751.21	5155.93	6481.66	14201.58	29590.38
	(13)	(17)	(22)	(48)	(100)
1983	4268.35	6129.66	7774.13	16848.11	35020.25
	(12)	(17)	(22)	(48)	(100)
1984	6255.80	7046.97	10157.09	19865.84	43325.70
	(14)	(16)	(23)	(46)	(100)

1985	6978.74	9061.05	11497.14	22457.64	49994.57
	(14)	(18)	(23)	(45)	(100)
1986	8221.58	9937.95	12557.76	25464.50	56181.79
	(15)	(18)	(22)	(45)	(100)
1987	9627.35	11282.36	14509.56	28308.12	63727.39
	(15)	(18)	(23)	(44)	(100)
1988	11281.88	13126.42	16060.02	30816.35	71284.67
	(16)	(18)	(22)	(43)	(100)
1989	14206.10	15747.86	19939.18	38133.92	88027.06
	(16)	(18)	(23)	(43)	(100)
1990	25467.50	17596.68	22427.58	38820.18	104311.94
	(24)	(17)	(21)	(37)	(100)
1991	26643.86	20800.12	27369.26	49389.70	124202.94
	(21)	(17)	(22)	(40)	(100)
1992	27520.05	22842.09	30128.70	56214.97	136705.81
	(20)	(17)	(22)	(41)	(100)
1993	30382.83	25367.06	33612.64	73104.75	162467.28
	(19)	(16)	(21)	(45)	(100)
1994	30863.00	26486.35	36174.80	82367.12	175891.27
	(17)	(15)	(20)	(47)	(100)
1995	33529.16	31807.32	37273.31	108329.33	210939.12

	(16)	(15)	(18)	(51)	(100)
1996	38613.51	36890.50	44397.31	134790.79	254692.11
	(15)	(14)	(17)	(52)	(100)
1997	40258.88	40602.02	51796.03	151716.38	284373.31
	(14)	(14)	(18)	(53)	(100)
1998	48132.14	46510.29	59803.99	175498.03	329944.45
	(14)	(14)	(18)	(53)	(100)
1999	53908.62	54820.02	70716.68	202979.71	382425.03
	(14)	(14)	(18)	(53)	(100)
2000	59425.76	64790.48	79590.45	256273.99	460080.68
	(13)	(14)	(17)	(56)	(100)
2001	68881.94	71105.88	95302.89	303143.07	538433.78
	(13)	(13)	(18)	(56)	(100)
2002	87712.89	90156.34	123756.99	354366.86	655993.08
	(13)	(14)	(19)	(54)	(100)
2003	106479.48	104149.43	142874.46	402465.45	755968.82
	(14)	(14)	(19)	(53)	(100)
2004	109907.45	114870.98	169973.79	485559.81	880312.03
	(12)	(13)	(19)	(55)	(100)
2005	160479.38	142836.29	212299.77	636852.48	1152467.92
	(14)	(12)	(18)	(55)	(100)

2006	199422.87	174794.36	276365.41	863259.49	1513842.13
	(13)	(11)	(18)	(57)	(100)
2007	235703.74	212752.79	350194.28	1148448.81	1947099.62
	(12)	(11)	(18)	(59)	(100)
2008	323132.48	255998.45	430592.29	1407283.30	2417006.52
	(13)	(10)	(18)	(58)	(100)
2009	309626.36	311089.03	498566.01	1728431.71	2847713.11
	(10)	(11)	(17)	(61)	(100)

Source: Hand Book of Statistics on Indian Economy, RBI